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Korea, Republic of

Oilseeds and Products

Non-GMO Soybean Tender Invitation

2000

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Report Highlights:

Korea's state trading company charged with importing all food grade soybeans has developed new tender specification for non-GMO soybeans with assistance from the trade after the March 31 tender attracted only one participant. Korea's second effort to tender for non-GMO soybeans will occur on April 29.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Seoul [KS1], KS

The Agriculture and Fishery Marketing Corporation (AFMC), the state trading company charged with importing all Korea's food grade soybean under quota, annually imports approximately 300,000 MT.

On March 31, AFMC held its first tender for non-biotechnology enhanced soybeans, more commonly referred to in the trade as GMO soybeans. The amount tendered was 25,000 MT but because of a lack of bidders, AFMC had to cancel the tender. Two companies had registered for the tender, but only one submitted an offer.

On April 4, AFMC held an open-house session with the trade to explore workable terms and conditions that would enable future tenders for non-GMO soybeans to attract greater participation.

During the open-house session,

1) AFMC was advised to accept final inspection by buyer's nominated inspector on GMO content at the river elevator instead of port elevator. U.S. suppliers had explained an integrated transportation system - from farm to mother vessel at port - existed that could protect Identity Preserved (IP) non-GMO soybeans from possible contamination with GMO soybeans. With such a system, samples taken from the shipment at the river elevator could be PCR tested while the barge moved down stream to port. The PCR test takes four-to-five days to complete. Time saved with this procedure could enable the shipment to be delivered to Korea a week earlier or could be used for initiating a replacement shipment in the event the PCR test came back positive (> 3 percent GMO soybean in the shipment).

2) AFMC was advised to accept a supplier's certificate in lieu of seed breeders certificate and farmers certificate. Under the original tender terms, certificates from a couple hundred seed companies and several hundred farmers would be required on a 25,000 MT non-GMO soybean order.

3) AFMC was advised that because of a poor crop in 1999, non-GMO soybeans at the U.S. No. two grades were more readily available.

Next Tender Terms and Conditions:

On April 29, AFMC will tender for 25,000 MT of non-GMO soybeans. Terms and conditions outlined below reflect many suggestions provided during the April 4 open house session.

Invitation Number:	AFMC704-SYF-0015
Bids date:	11:00 a.m., April 29 (Saturday), 2000
Quantity:	25,000 MT
Specification:	U.S. No. 1 Non-GMO soybean, 1999 September crop hence moisture - 13 percent maximum, protein - 35 percent minimum based on 13 percent moisture, GMO soybean tolerance - 3 percent maximum.
-Shipment:	July 29 - August 27, 2000, ex U.S. Gulf, or August 12 - September 10, 2000, ex U.S. PNW.

The supplier of non-GMO soybean is required to provide the following certificates:

1) Separate certificate (such as identity preserved (IP) certificate) stating the cargo has remained apart from GMO soybeans during the respective stages of seeding, growing, harvesting, storing, transporting and loading.

2) Inspection certificate on GMO-free soybean issued by AMFC's nominated inspection company at port elevator or river elevator at supplier's option/account.

3) Loading certificate stating that the cargo has remained apart from GMO soybeans:

- In case of using barge in U.S. Gulf, supplier has an option to have river elevator or port elevator issue the certificate stating the barge carried GMO-free soybean.
- In case of using rail in U.S. PNW, supplier should obtain a certificate from a relevant organization.

AFMC has the right to nominate inspection companies to sample and PCR test to identify GMO content at the river or export elevator on the seller's account.

If the result of the PCR test conducted by the nominated inspector is higher than the 3 percent tolerance, AFMC has a right to reject loading of the cargo.

Supplier's local agent need to confer with AFMC to clarify exact certificate requirements. Information supplied in this report is intended to provide the reader an idea of the general requirements for the upcoming AFMC tender for non-GMO soybeans.